

Inspector General

United States
Department of Defense



Consistent Use of Supply Support Activities Could
Increase Efficiency of Equipment Drawdown
from Iraq

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Acronyms and Abbreviations

AAA	Army Audit Agency
AR	Army Regulation
CRSP	Central Receiving and Shipping Points
JBB	Joint Base Balad
MCT	Movement Control Team
MRO	Materiel Release Orders
NSN	National Stock Number
RFID	Radio Frequency Identification
SARSS	Standard Army Retail Supply System
SSA	Supply Support Activity
TMR	Transportation Movement Request
TRC	Theater Redistribution Center
USARCENT	U.S. Army Central
USF-I	U.S. Forces-Iraq



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
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April 14, 2011

MEMORANDUM FOR COMMANDER, U.S. CENTRAL COMMAND
COMMANDER, U.S. FORCES-IRAQ
COMMANDER, U.S. ARMY CENTRAL

SUBJECT: Consistent Use of Supply Support Activities Could Increase Efficiency of
Equipment Drawdown from Iraq (Report No. D-2011-056)

We are providing this report for your information and use. We conducted this audit in response to a U.S. Central Command request to focus oversight on asset accountability. As of December 2010, DoD estimated that the drawdown from Iraq would include the withdrawal of approximately 1.2 million pieces of equipment. Although the Supply Support Activities and Central Receiving and Shipping Points were effectively processing equipment in support of the Iraq drawdown, DoD activities bypassed the Supply Support Activities and shipped equipment directly to the Theater Redistribution Center at Camp Arifjan, Kuwait. This resulted in decreased efficiency, increased risk of personnel injury, and work stoppage at the Theater Redistribution Center at Camp Arifjan, Kuwait.

The Deputy, USF-I Joint Logistics Directorate and the Commander, U.S. Army Central comments were responsive, therefore, we do not require additional comments. We considered management comments when preparing the final report and revised recommendation 1 slightly in response to those comments.

We appreciate the courtesies extended to the staff. Please direct questions to Ms. Jacqueline Daniels at DSN 318-485-7371.

A handwritten signature in blue ink, reading "Daniel R. Blair".

Daniel R. Blair
Deputy Inspector General
for Auditing



Results in Brief: Consistent Use of Supply Support Activities Could Increase Efficiency of Equipment Drawdown from Iraq

What We Did

We evaluated the disposition process for equipment leaving Iraq and whether that process ensured timely accountability, visibility, and redistribution of the equipment to meet DoD needs. We also determined whether adequate security procedures were in place to ensure the intended destinations received the equipment. We conducted site visits at two Supply Support Activities and two Central Receiving and Shipping Points in Iraq.

We also followed up on an Army Audit Agency report recommendation that U.S. Army Central develop metrics to track compliance with Radio Frequency Identification requirements for shipping containers leaving the U.S. Army Central area of responsibility.

What We Found

Although the two Supply Support Activities and Central Receiving Shipping Points we visited were effectively managing the disposition process to ensure the timely accountability, visibility, redistribution, and security of equipment leaving Iraq, DoD activities bypassed the Supply Support Activities and shipped their equipment directly to the Theater Redistribution Center (TRC) at Camp Arifjan, Kuwait. For example, during a 3-month period, the two Supply Support Activities shipped 81 containers to the TRC, while DoD activities shipped 272 containers directly to the TRC. This occurred because U.S. Forces-Iraq officials did not establish procedures to preclude Movement Control Teams from authorizing DoD activities to

ship equipment directly to the TRC. As a result, DoD activities delayed redistribution and reduced content visibility when they bypassed Supply Support Activities. Lack of content visibility increased the risk of injury from inappropriately packed weapons and hazardous material. For example, TRC officials provided documentation identifying that during a period of about 60 days, DoD incurred work stoppage at the TRC of about 2,670 hours at a cost of \$85,000.

As of December 2010, U.S. Army Central had not taken corrective action in response to the Army Audit Agency recommendation. Therefore, we issued a recommendation to U.S. Army Central.

What We Recommend

We recommend the Commander, U.S. Forces-Iraq, develop procedures to prevent unauthorized DoD activities from bypassing the Supply Support Activities.

We recommend the Commander, U.S. Army Central, develop procedures requiring that all Radio Frequency Identification tags contain the appropriate data and that metrics are developed to track compliance with the procedures.

Management Comments and Our Response

We revised recommendation 1 slightly in response to management comments. The U.S. Forces-Iraq and the U.S. Army Central comments were responsive. Therefore, we do not require additional comments.

Recommendations Table

Management	Recommendations Requiring Comment	No Additional Comments Required
Commander, U.S. Forces-Iraq		1
Commander, U.S. Army Central		2

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Introduction

Objectives

Our overall audit objective was to determine whether DoD was effectively managing operations at the Supply Support Activities (SSA) and Central Receiving and Shipping Points (CRSP) in Iraq. Specifically, we evaluated the process for the disposition of equipment¹ leaving Iraq through the SSAs and the CRSPs, and whether that process ensured timely accountability, visibility, and redistribution of the equipment to meet DoD needs. We also determined whether adequate security procedures were in place to ensure the intended destinations received equipment shipped from Iraq. This report is one in a series of reports concerning the Iraq drawdown with respect to the transfer, reset, and disposal of U.S. equipment. This report focuses on the roles of the SSAs and the CRSPs in that process. DoD Inspector General Report No. D-2010-060, “Drawdown and Reset of Equipment in Iraq-Operation Clean Sweep,” June 11, 2010, focused on Operation Clean Sweep and the role of the Mobile Redistribution Teams in that operation. See the appendix for a discussion of our scope and methodology.

During the audit, we coordinated with the Army Audit Agency (AAA) to prevent redundancy in audit coverage. AAA personnel requested our assistance to follow-up on a recommendation made in Army Audit Agency report No. A-2010-0022-ALL, “Retrograde Operations Southwest Asia, Multi-Class Retrograde, Camp Arifjan, Kuwait,” December 7, 2009. In that report, AAA personnel recommended that U.S. Army Central (USARCENT) develop metrics to track compliance with Radio Frequency Identification requirements for shipping containers leaving the USARCENT area of responsibility.² Therefore, we expanded our audit objective to determine whether USARCENT had taken corrective action in response to that recommendation.

Background

We performed this audit in response to a request from the Commander, U.S. Central Command, to focus oversight on asset accountability to ensure U.S.-funded assets are properly accounted for and that there is a process for the proper transfer, reset, or disposal of assets in conjunction with the responsible drawdown of U.S. Forces and equipment from Iraq. According to the Security Agreement between the Governments of the United States and Iraq, all U.S. Forces will withdraw from Iraqi territory no later than December 31, 2011. By the end of August 2010, about 74,000 U.S. combat forces had withdrawn from Iraq, reducing U.S. troop levels to about 50,000. In addition to the

¹ Equipment includes items needed to equip, maintain, operate, and support military activities. For purposes of this report, equipment is synonymous with “supplies” and “materiel.”

² The USARCENT area of responsibility includes Iraq, Afghanistan, Kuwait, and 17 other countries in Southwest Asia.

drawdown of personnel, DoD is drawing down and dispositioning its equipment located in Iraq. According to U.S. Forces-Iraq (USF-I), about 1.2 million pieces of non-rolling stock³ remained in Iraq as of December 2010.

Supply Support Activities

The SSAs' primary responsibilities are to order supplies and process excess and unserviceable property turned in by DoD activities. As of November 25, 2010, seven SSAs were operating in Iraq. SSA personnel assist DoD activities by processing and preparing excess equipment for shipment out of the Iraq theater.⁴ By doing so, SSAs ensure the excess equipment is redistributed based on requirements set by DoD planners. To accomplish these tasks, SSA personnel input excess equipment data into the automated Standard Army Retail Supply System (SARSS), which provides redistribution instructions directing SSA personnel where to ship the equipment. SSA personnel pack and attach documentation on cargo to help identify contents to the receiving activity. After the containers are packed, SSA personnel complete and submit a Transportation Movement Request (TMR), which is the official document requesting a Movement Control Team (MCT) to arrange transportation of cargo. At a minimum, the TMR contains the shipping origination, destination, point of contact, cargo contents, and type of transportation required.

Movement Control Teams

The primary responsibilities of MCTs are to provide DoD activities with the ability to arrange transportation of cargo. As of November 25, 2010, seven MCTs were operating in Iraq. MCTs expedite, coordinate, and monitor cargo throughout the transportation system. MCTs use TMR information provided by DoD activities to issue Transportation Movement Releases, which specify and authorize cargo movement and direct the use of transportation assets through movement control channels. MCT personnel issue Transportation Movement Releases after verifying shipping destinations, originations, and points of contact. Additionally, MCTs are required to provide Radio Frequency Identification (RFID) tags to DoD activities that do not have the capability to enter data onto an RFID. The RFID tags are electronic equipment attached to cargo and contain content-level data. The RFID tags synchronize with the Radio Frequency In-Transit Visibility system that traces the identity, status, and location of cargo from origin to destination via a worldwide infrastructure of hardware and software. Upon approval of a TMR, DoD activities deliver their cargo with the attached RFID tag to a CRSP for transportation.

Central Receiving and Shipping Point

CRSPs' primary responsibilities are to provide a centralized supply distribution operation to maximize vehicle loads and reduce the number of convoy logistic patrols moving in

³ SSAs process non-rolling stock equipment, including organizational equipment, which is retained by DoD activities during redeployment or redistributed through an SSA.

⁴ Materiel Redistribution and other support teams under Operation Clean Sweep II are other USF-I activities that support the processing and preparing of excess equipment for shipment out of Iraq. See DoD OIG Report D2010-060 for the audit conducted on Operation Clean Sweep.

the area of operation. CRSP personnel are responsible for inventorying all cargo entering and leaving the CRSP yard, verifying transportation documentation, escorting and staging the cargo in the appropriate areas, and providing instructions to the DoD activities for loading procedures. CRSP personnel are not responsible for container contents as they rely on DoD activities to inventory and pack containers appropriately.

Logistics Operations Management

The 103rd Sustainment Command (Expeditionary), the higher headquarters for all logistics operations in Iraq, coordinates, synchronizes, and executes the drawdown of supplies and equipment. The 103rd Sustainment Command (Expeditionary) is responsible for overseeing operations at the SSAs, MCTs, and CRSPs, including the redistribution of all excess equipment not needed to support the residual force.

Policies and Procedures

Policies and procedures for SSAs, MCTs, and CRSPs are contained in Army and USCENTCOM guidance. Army Regulation (AR) 710-2, "Supply Policy Below the National Level," March 28, 2008, prescribes policy and assigns responsibility for SSAs. AR 710-2 states that DoD activities are required to turn in all excess property to an SSA so that the SSA can establish accountability and redistribute excess equipment.

USF-I Fragmentary Order (FRAGO) 1695, "Operation Clean Sweep II," July 30, 2010, established a process to assist units with the identification, classification, and disposition of excess material and equipment in support of the Iraq drawdown. The FRAGO states that "Operation Clean Sweep II" will increase the ability of U.S. military units to identify excess material and property, and retrograde equipment and supplies.

USCENTCOM "Radio Frequency Identification Letter of Instruction," June 19, 2007, (LOI) amplifies RFID tag requirements for USCENTCOM regulation 700-4, "Logistics Automatic Identification Technology and ITV," January 2006. The LOI describes requirements for employing RFID technology to enhance in-transit visibility of forces and materiel moving within USCENTCOM's area of responsibility and for tracking compliance metrics. According to the LOI, "all containers must have RFID tags written at point of origin by all activities stuffing containers." The LOI also requires the RFID tags have content-level details describing the equipment in the containers. Content-level details include two components: asset-level detail and content-level detail. Asset-level details are the minimum data elements describing the physical characteristics of a single asset, including National Stock Number⁵ (NSN), nomenclature, condition code, and hazardous cargo descriptor codes. Content-level details are the minimum data elements describing a single box or unpacked item, including the asset quantity, sender and receiver identifier codes, and ship date. In the memorandum, "Radio Frequency Identification (RFID) Policy," February 20, 2004, the Acting Under Secretary of Defense for Acquisition, Technology, and Logistics, stated that an RFID-enabled DoD supply

⁵ A National Stock Number is a unique series of numbers used throughout the Federal supply system to identify a supply item.

chain would reduce operating costs, allow DoD to refocus critical work force resources, and provide a key enabler for the asset visibility support needed by warfighters.

Review of Internal Controls

DoD Instruction 5010.40, “Managers’ Internal Control Program (MICP) Procedures,” July 29, 2010, requires DoD organizations to implement a comprehensive system of internal controls that provide reasonable assurance that programs are operating as intended and to evaluate the effectiveness of the controls. We identified internal control weaknesses for USF-I. Specifically, USF-I personnel did not ensure proper redistribution or visibility was established for all equipment shipped out of Iraq. We will provide a copy of the final report to the senior official(s) responsible for internal controls in USF-I.

Finding. Supply Support Activities Not Always Used to Process Excess Equipment From Iraq

Although the two SSAs and CRSPs we visited were effectively managing the disposition process to ensure the timely accountability, visibility, redistribution, and security of equipment leaving Iraq, DoD activities bypassed the SSAs and shipped their equipment directly to the Theater Redistribution Center (TRC) at Camp Arifjan, Kuwait. For example, during the same 3-month period, the 2 SSAs shipped 81 containers to the TRC, while DoD activities shipped 272 containers directly to the TRC. This occurred because USF-I did not establish procedures to preclude MCTs from authorizing DoD activities' requests to ship equipment directly to the TRC. By bypassing the SSAs, DoD activities delayed redistribution and reduced content visibility. Specifically, redistribution requirements were not determined until the equipment arrived at the TRC, which decreased efficiency and increased the time needed to identify and process excess equipment. Without content visibility, personnel at the TRC were not aware of container contents and could not adequately plan the resources needed to unpack and process the equipment. Lack of content visibility also increased risk of injury from inappropriately packed weapons and hazardous material. For example, TRC personnel provided documentation identifying that during a period of about 60 days, DoD incurred work stoppage at the TRC of about 2,670 hours at a cost of \$85,000.

SSA and CRSP Operations Effective

Camp Liberty and Joint Base Balad (JBB) SSA personnel effectively received, processed, and redistributed excess equipment in accordance with policies and procedures and ensured the timely accountability, visibility, and redistribution of excess equipment. In addition, we determined CRSP personnel conducted effective receiving, processing, staging, and shipping procedures in accordance with established policies.

The SSAs we visited had policies and procedures in place for the timely accountability, visibility, and redistribution of excess equipment. SSA personnel established accountability, visibility, and redistribution in the supply system by processing excess equipment through SARSS. According to documentation provided by 103rd Sustainment Command (Expeditionary), from April through June 2010, Camp Liberty and JBB SSAs redistributed 63,000 items of excess equipment.

... from April through June 2010, Camp Liberty and JBB [Joint Base Balad] SSAs redistributed 63,000 items of excess equipment.

At the SSAs visited, we observed DoD activities turning in excess equipment with supporting documentation and SSA personnel verifying the accuracy of the documentation. Specifically, SSA personnel required DoD activities to:

- unpack and layout items on a table, grouped by like items,
- place supporting documentation with each group of items (Figure 1), and
- provide a Federal Logistic Data printout for each group of items.

SSA personnel also requested DoD activities provide additional documentation for sensitive equipment (ammunition, security equipment, and hazardous material). In addition, SSA personnel validated the accuracy of the NSN, nomenclature, and quantity of the equipment on the turn-in documentation.

Upon validating data on the supporting documentation, we observed SSA personnel enter the data into SARSS to establish accountability for the excess equipment. SSA personnel received redistribution instructions⁶ in the form of Materiel Release Orders (MRO) within minutes of entering the equipment data into SARSS. Redistribution instructions included stocking the equipment at the SSA for reissue, shipping the equipment to the TRC for use elsewhere, or shipping to the Defense Reutilization Market Office for disposal. SSA personnel verified that the equipment NSN and quantities matched those listed on the MRO and attached copies of the MRO to the equipment (Figure 2).

To establish content visibility, JBB SSA personnel wrote equipment data onto the RFID tags from SARSS, while Camp Liberty SSA personnel placed copies of the MROs inside the container doors.

Figure 1. DoD Activities Turning in Excess Equipment With Supporting Documentation



Source: DoD IG Audit Team, June 14, 2010

Figure 2. SSA Personnel Verify Information and Attach MRO Documentation to Excess Equipment



Source: DoD IG Audit Team, June 14, 2010

⁶ Redistribution instructions provided by SARSS are based on programmed parameters established by Army Materiel Command.

When SSA personnel completed the packing process, they attached an RFID tag and a seal to the containers. SSA personnel then arranged for the movement of containers to the CRSP yard for shipment.

CRSP personnel received, documented, staged, and transferred cargo based on TMRs processed by the MCT. At the sites we visited, CRSP personnel followed established policies and procedures for excess equipment redistribution. Personnel verified transportation documentation for cargo entering and leaving the CRSP yard. In addition, CRSP personnel entered cargo information into the CRSP Tracker with data available from the TMR, such as the TMR number, RFID tag number, unit's name, date and time cargo arrived, origin and destination, type of equipment, and any information that identified a particular piece of equipment. Each container arriving at the CRSP from the SSAs had an RFID tag and a seal attached.

CRSP personnel escorted, staged in the appropriate areas, and ensured proper loading procedures for cargo. CRSP personnel then identified all TMRs for movement and attached load/cargo/equipment listings to the TMRs. Once a convoy was loaded for transport, the CRSP personnel immediately logged the loaded cargo in the CRSP Tracker.

The sites visited had physical security measures that included continuous fencing topped with concertina wire and gated entry points with access pass requirements. We tested the pass process at the Camp Liberty CRSP by conducting an impromptu site visit. We noted that the process for the unannounced visit was the same as the process during our announced visits. At the JBB CRSP, we observed CRSP personnel load flatbed trucks with containers. We noted that each flatbed truck held two containers and that the containers were loaded with the container doors facing each other. This made it impossible to open the containers until the containers were unloaded from the flatbed trucks. According to documentation provided by 103rd Sustainment Command (Expeditionary), from April through June 2010, Camp Liberty and JBB CRSPs shipped 2,023 containers to the TRC in Camp Arfijan Kuwait.

DoD Activities Bypassed the SSA

DoD activities did not always process their excess equipment through an SSA to ensure accurate redistribution instructions, proper processing, and identification of equipment before shipment from Iraq. According to Army Regulation (AR) 710-2, "Supply Policy Below the National Level," March 28, 2008, activities are required to turn in all excess equipment, serviceable or unserviceable, to the SSA. DoD activities are to provide the proper data, including the NSN, nomenclature, and serviceability for each item. Activities are also to provide additional documentation for sensitive equipment (ammunition, security equipment, and hazardous material) to help ensure the safety of the receiving personnel. During a period of about 90 days, the SSAs we visited shipped 81 containers of excess equipment to the TRC, while DoD activities used MCTs to bypass SSAs and independently shipped 272 containers to TRC.

*...DoD activities used
MCTs to bypass SSAs and
independently ship 272
containers to the TRC.*

Lack of Procedures to Enforce SSA Policy

Although AR 710-2 requires DoD activities to process excess equipment through an SSA, USF-I did not establish procedures to preclude MCTs from authorizing DoD activities' requests to ship equipment directly to the TRC. Specifically, DoD activities submitted TMRs to the MCTs requesting authorization to ship cargo to the TRC. MCT personnel authorized the TMRs if the shipping destinations, originations, and points of contact were valid. MCT procedures did not require its personnel to verify that the DoD activities were authorized to ship cargo to the TRC. This lack of procedures allowed DoD activities to bypass the SSAs, circumventing AR 710-2 requirements for processing excess equipment.

USF-I should develop and implement procedures to prevent unauthorized DoD activities from shipping cargo directly to the TRC. Those procedures should ensure only SSAs, Operation Clean Sweep II Teams, or other USF-I authorized activities ship excess equipment to the TRC. Implementation of these procedures should minimize the time and personnel needed to process containers, reduce injuries to personnel, and enhance the redistribution of equipment to receiving activities.

Bypassing SSAs Decreased Efficiency

DoD activities that bypassed SSAs decreased the efficiency of the excess equipment disposition process. When DoD activities bypassed the SSAs, redistribution requirements were not determined and content visibility was not always established. Specifically, redistribution requirements were not determined until the equipment arrived at the TRC, which increased the time needed to identify and process excess equipment. In addition, without content visibility, personnel at the TRC were not aware of container contents and could not adequately plan the resources needed to unpack and process the equipment. Lack of content visibility also increased risk of injury from inappropriately packed weapons and hazardous material.

Without controls in place to ensure DoD activities used the SSAs, the TRC had to increase the time and effort needed to establish accountability and determine redistribution requirements. The process for each unidentified piece of equipment may take an additional 28 to 52 hours. This delayed the redistribution of serviceable equipment that could be used by other DoD activities.

Cargo shipped without required content data markings reduces visibility, which increases the personnel required and processing time required for excess equipment, and increases the risk of injury to personnel at the receiving activity. During a period of about 60 days,⁷ the TRC encountered five dangerous incidents that caused work stoppage because

⁷ We requested information from the 1st Transportation Sustainment Command (TSC), Arifjan, Kuwait, for the entire FY 2010. However, 1st TSC personnel stated they did not maintain data prior to April 2010, when they assumed command of operations.

of a lack of content visibility. The work stoppage resulted in a loss of about 2,670 hours at a cost of \$85,000. The following table lists the incident, incident description, and the

Work stoppage cost DoD approximately 2,670 hours...at a cost of about \$85,000.

response to the incident. TRC personnel stated that if DoD activities had provided the required content data, TRC personnel would have been aware of weapons and hazardous material inside the containers and ensured that the proper response team was present when opening the container. TRC personnel stated that using content-level data would enhance the performance of the TRC and potentially prevent injuries.

Dangerous Incidents at the TRC From July 2010 Through August 2010

Date	Incident	Incident Description	External Responders
July 18, 2010	Weapon	A grenade round lodged in launcher	Explosive Ordnance Detachment (EOD) team
July 19, 2010	Hazmat	Calcium hypo-chloride yielding chlorine gas injured four personnel	Area Support Group-Kuwait (ASG-KU) Hazardous Material (HAZMAT) team and Fire department
August 1, 2010	Weapon	Dummy landmine	No external response
August 18, 2010	Hazmat	Unknown fluid leaking from container, determined to be paint thinner	ASG-KU HAZMAT team
August 23, 2010	Weapon	An unexploded explosive ordnance flash bang grenade, but grenade was expended	EOD team

USARCENT Personnel Did Not Complete Corrective Action

During the audit, we coordinated with AAA to prevent redundancy in audit coverage. AAA personnel requested our assistance to follow-up on a recommendation made in Report No. A-2010-0022-ALL, "Retrograde Operations Southwest Asia, Multi-Class Retrograde, Camp Arifjan, Kuwait," December 7, 2009. In that report, AAA recommended that USARCENT develop metrics to track compliance with Radio Frequency Identification Visibility requirements for shipping containers leaving the

USARCENT area of responsibility. Therefore, we expanded our audit objective to determine whether USARCENT had taken corrective action in response to that recommendation.

As of December 2010, USARCENT had not taken corrective action in response to the AAA recommendation. Specifically, USARCENT had not established metrics for tracking compliance with RFID technology. However, we determined that USCENCOM “Radio Frequency Identification Letter of Instruction,” June 19, 2007, had established such metrics. We discussed the Letter of Instruction with AAA officials, who agreed that while there was a policy requiring the development of metrics to track compliance, USARCENT had not implemented the requirements. Therefore, because we identified that containers were arriving at the TRC without content-level data, we are issuing a recommendation for USARCENT to develop implementing procedures for the USCENCOM Letter of Instruction.

Management Comments on the Finding and Our Response

Deputy, U.S. Forces-Iraq, Joint Logistics Directorate Comments

The Deputy, USF-I Joint Logistics Directorate, disagreed with our statement concerning the need for USF-I procedures to preclude MCTs from authorizing DoD Activities’ requests to ship equipment directly to the TRC. The Deputy stated that it is not the MCT’s function to monitor compliance with turn in requirements but to validate transportation requirements and coordinate transportation support.

The Deputy, USF-I also requested that we change the term “Movement Release Orders” to “Materiel Release Orders.”

Our Response

We agree that AR 710-2 does not explicitly state that the MCTs should ensure compliance with turn in requirements. However, the MCTs are required to validate transportation requirements, which include verifying the shipping destination. Establishing procedures to require the MCTs to verify that the DoD activity is authorized to ship directly to the TRC is a reasonable requirement at the most effective point in the transportation process. Therefore, we did not revise the finding based on the Deputy, USF-I, Joint Logistics Directorate’s comments concerning the MCTs.

We agree with the Deputy’s comment concerning use of the terms Movement Release Orders and Materiel Release Orders and revised the finding accordingly.

Recommendations, Management Comments, and Our Response

Revised Recommendation

As a result of management comments, we slightly revised draft recommendation 1.

1. We recommend the Commander, U.S. Forces-Iraq, develop procedures for the Expeditionary Sustainment Command and its subordinate commands that prevent unauthorized DoD activities from bypassing Supply Support Activities and ensure those activities turn in excess equipment to the Supply Support Activity or utilize the Operation Clean Sweep II Teams for processing.

Management Comments

The Deputy, U.S. Forces-Iraq, Joint Logistics Directorate, partially agreed and suggested that the recommendation be revised to state “We recommend that the Commander, United States Forces-Iraq provide policy and guidance to the Expeditionary Sustainment Command and all subordinate commands on what entities are allowed to ship directly to the Theater Redistribution Center (TRC) in Kuwait, bypassing the Supply Support Activity.” The Deputy added that although that requirement is not as efficient, it would ensure that equipment is accounted for and remains in Government control. However, the Deputy also stated that U.S. Forces-Iraq, in coordination with the Expeditionary Sustainment Command, will establish procedures to address DoD activities that are authorized/unauthorized to ship directly to the Theater Redistribution Center. The Expeditionary Sustainment Command will coordinate the procedures with subordinate units.

Our Response

The Deputy, U.S. Forces-Iraq, Joint Logistics Directorate, comments are responsive and proposed actions will address our concerns, therefore, no additional comments are required.

2. We recommend the Commander, U.S. Army Central, develop implementing procedures for the U.S. Central Command “Radio Frequency Identification Letter of Instruction,” June 19, 2007, requiring that all Radio Frequency Identification tags contain the appropriate content-level data and develop metrics to track compliance.

Management Comments

The Commander, U.S. Army Central, agreed stating that U.S. Army Central will take action to address Radio Frequency Identification tag requirements for shipments throughout Theater and establish a metric to track compliance in accordance with U.S. Central Command Letter of Instruction. Although the estimated completion date for

those actions was originally April 1, 2011, a U.S. Army Central official estimated that the procedures would be completed by April 30, 2011.

Our Response

The Commander, U.S. Army Central, comments are responsive and no additional comments are required.

Management Comments

Although not required to comment on this recommendation, the Deputy, U.S. Forces-Iraq, Joint Logistics Directorate stated that U.S. Forces-Iraq would work closely with the U.S. Army Central Logistics Directorate as it continues to refine the Radio Frequency Identification metrics. The Deputy also stated that U.S. Forces-Iraq would continue to ensure that all measures are taken to maximize the use and accuracy of Radio Frequency Identification.

Appendix. Scope and Methodology

We conducted this performance audit from May 2010 through February 2011 in accordance with generally accepted Government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We coordinated with officials from U.S. Central Command, U.S. Army Materiel Command, U.S. Forces-Iraq, U.S. Army Central, Army Sustainment Command, and 1st Sustainment Command (Theater). Additionally, we met with 13th Combat Sustainment Support Battalion, 103rd Sustainment Command (Expeditionary), 3rd Sustainment Brigade, 1st Sustainment Brigade, and 13th Sustainment Command (Expeditionary). We coordinated with personnel from the Government Accountability Office and the Army Audit Agency to avoid duplicative reporting and to minimize the impact on the DoD agencies' missions.

We evaluated the disposition process at two of the five largest SSAs in Iraq. The Joint Base Balad and the Victory Base Complex SSAs are two of the top five SSAs. As part of the evaluation, we also visited seven organizations associated with the disposition process (see the following table for a listing of locations and dates visited).

Listing of Site Visits

Site Location	Organization	Date Visited
Joint Base Balad	Supply Support Activity	June 14, 2010
	Joint Distribution Center	June 15, 2010
	Central Receiving and Shipping Point	June 16, 2010
	Movement Control Team	June 16, 2010
Victory Base Complex	Supply Support Activity	June 17, 2010
	Central Receiving and Shipping Point	June 19, 2010
	Movement Control Team	June 19, 2010

We obtained and reviewed policies and procedures for the accountability, visibility, and redistribution of excess equipment. We also reviewed DoD policies and regulations, Army regulations, Army pamphlets, operation orders, Field manuals, and standard operating procedures.

For example, we reviewed the following:

- AR 710-2, "Supply Policy Below the National Level,"
- Department of the Army Pamphlet 710-2-2, "Supply Support Activity Supply System (Manual Procedures),"

- AR 735-5, “Policies and Procedures for Property Accountability,”
- AR 700-80, “Army In-Transit Visibility,”
- DoD 4160.21-M-1, “DoD Demilitarization Manual,”
- DoD Acquisition, Technology, & Logistics Radio Frequency Identification (RFID) Policy,
- Central Receiving and Shipping Points (CRSP) Handbook No. 07-33,
- Movement Control Field Manual 4-01.30 (FM 55-10), 373rd External Standing Operating Procedures, “Multi-Class Supply Support Activity,”
- 716th Quartermaster Company’s Supply Support Activity External Standard Operating Procedures, and
- 169th Seaport Operations Company, Central Receiving and Shipping Point Standard Operating Procedures.

During our visits, we observed personnel perform their responsibilities for the excess equipment disposition process. We conducted interviews with personnel from the SSAs, MCTs, CRSPs, and Joint Distribution Center to get an understanding of their roles, responsibilities, and procedures, and compared them to the applicable guidance listed above. We also requested and reviewed the following forms and documents that were used for accountability and redistribution of excess equipment:

- DA Form 2765-1, “Request for Issue or Turn-in,”
- DD Form 1348, “Issue Release/Receipt Document,”
- Radio Frequency Identification Tag request form, and
- Transportation Movement Request form.

To determine containers shipped to the TRC from JBB and Camp Liberty SSAs and other DoD activities, we obtained shipping data from Trans Log Web, RF-ITV, and Integrated Booking System-Container Management Module (IBS-CMM) from April 2010 through June 2010 for the JBB and Camp Liberty CRSP. We analyzed the destination and originator to determine the entity that shipped cargo from the JBB and Camp Liberty CRSP to the TRC.

Use of Computer-Processed Data

The reliability of the systems used for the disposition of excess equipment was not the objective of our audit. However, as part of our audit, we relied on data from the Trans Log Web, RF-ITV, and SARSS systems to verify the process and procedures used for the disposition of excess equipment at the sites we visited. We reviewed the following:

- screen prints of RFID tag numbers from the RF-ITV to determine the content level data, and
- TMRs from the Trans Log Web to determine the shipping origination and destinations for TMRs.

We considered data from Trans Log Web and RF-ITV to be sufficiently reliable based on our testing procedures. Specifically, we obtained shipping information from the SSAs, MCTs, and CRSPs we visited and compared this information to the data in the RF-ITV

and Trans Log Web systems. The consistency of the information obtained and the data from the systems provided assurance that the use of the data would not lead to incorrect conclusions or findings.

We did not test the reliability of data from SARSS as we did not rely on the accuracy of the data elements in the system for the basis of our conclusions or findings. Our conclusions and finding were based on the determination that SARSS provides Material Release Orders and not the accuracy of those Material Release Orders.

Prior Coverage

During the last 5 years, the Government Accountability Office (GAO), Department of Defense Office of Inspector General (DoD OIG), and the Army Audit Agency have issued eight reports discussing topics related to accountability and visibility of DoD equipment in Iraq. Unrestricted GAO reports can be accessed over the Internet at <http://www.gao.gov/>. Unrestricted DoD IG reports can be accessed at <http://www.dodig.osd.mil/audit/reports>. Unrestricted Army reports can be accessed from .mil and gao.gov domains over the Internet at <https://www.aaa.army.mil/>.

GAO

GAO-08-930, “Operation Iraqi Freedom Actions Needed to Enhance DoD Planning for Reposturing of U.S. Forces from Iraq,” September 2008

DoD OIG

DoD IG Report D-2010-60, “Drawdown and Reset of Equipment in Iraq - Operation Clean Sweep,” June 11, 2010

DoD IG Report D-2008-135, “Requiring Radio Frequency Identification in Contracts for Supplies,” September 29, 2008

DoD IG Report D-2008-131, “Security of Radio Frequency Identification Information,” September 19, 2008

Army

A-2010-0022-ALL, “Retrograde Operations Southwest Asia: Multi-Class Retrograde Camp Arifjan, Kuwait,” December 7, 2009

A-2009-0080-ALL, “Retrograde Operations in Southwest Asia Multi-class Retrograde - Iraq Camp Victory, Iraq,” March 31, 2009

A-2009-0085-ALL, “Retrograde Operations in Southwest Asia, Class VII Theater Provided Equipment Camp Victory, Iraq,” March 26, 2009

A-2008-0041-ALL, “Asset Visibility in Support of Operation Iraqi Freedom and Operation Enduring Freedom – Summary Report,” January 30, 2008

U.S. Forces-Iraq Comments



REPLY TO
ATTENTION OF

HEADQUARTERS
UNITED STATES FORCES – IRAQ
BAGHDAD, IRAQ
APO, AE 09342

USF-I J4

28 March 2011

MEMORANDUM FOR Department of Defense, Office of Inspector General, 400 Army Navy Drive,
Arlington, VA 22202-4704

SUBJECT: Response to Department of Defense (DoD) Office of Inspector General (IG) Draft Report
(Project No. D2010-D000JB-0219.000)

1. REFERENCES:

- a. Field Manual 4-01.30, Movement Control, September 2003.
- b. PTC, ALARACT, 061911Z JAN 10, subject: ALARACT 006/2010 – Radio Frequency Identification (RFID) Tag Return, 061911Z JAN 10.
- c. USF-I FRAGO 0852 LOG AUTO 0082-1 RFID Turn-in FRAGO, dated 292310C Mar 10.
- d. USF-I FRAGO 1803, CHG 1 to FRAGO 1695, OP Clean Sweep II R2, 122205C Aug 10.
- e. USF-I FRAGO 1823 Log Auto 0218-2 RF-ITV Procedures, dated 172205C Aug 10.
- f. Memorandum, USARCENT ACEN-G4, 11 Jan 11, subject: USARCENT's Radio Frequency Identification Tag Compliance Tracking.

2. United States Forces-Iraq (USF-I) partially agrees with the Department of Defense (DoD) Office of Inspector General (IG) draft report first recommendation on page 10 "the Commander, U.S. Forces-Iraq, develop procedures for the Movement Control Teams that prevent DoD activities from bypassing Supply Support Activities and ensure DoD activities turn in excess equipment to the Supply Support Activity or utilize Operation Clean Sweep II Teams for processing." Movement Control Teams (MCTs) are not utilized to monitor DoD activities' compliance with turn in requirements. The MCT mission is to validate transportation requirements and then coordinate transportation support, necessary highway and inbound clearance for the movement of personnel, cargo and equipment.

3. USF-I recommends the following changes to the draft report:

- a. On page 6, an administrative correction to change "Movement Release Orders (MRO)" to the correct term of "Materiel Release Orders (MROs)".
- b. On page 8, USF-I disagrees with part of sentence "...USF-I did not establish procedures to preclude MCTs from authorizing DoD activities' requests to ship equipment directly to the TRC." It is not the MCTs function to monitor DoD activities' compliance with turn in requirements. The MCT mission is to validate transportation requirements and then coordinate transportation support, necessary highway and inbound clearance for the movement of personnel, cargo and equipment.
- c. DoD IG draft report recommendation one (page 10) should read as follows: "We recommend the Commander, United States Forces-Iraq, provide policy and guidance to the Expeditionary Sustainment Command and all subordinate commands on what entities are allowed to ship directly to the Theater Redistribution Center (TRC) in Kuwait, bypassing the Supply Support Activity." Although not as efficient, this will ensure equipment is still in Government control and accounted for.
4. In response to the second recommendation on page 10, USF-I will work closely with the USARCENT G4 as USARCENT continues to refine its Radio Frequency Identification metrics as discussed in

Final
Report
Reference

Revised
Recommendation
(Page 11)

Revised

Revised
Recommendation
(Page 11)

SUBJECT: Response to Department of Defense (DoD) Office of Inspector General (IG) Draft Report
(Project No. D2010-D000JB-0219.000)

reference f. This command will continue to ensure that all measures are taken to maximize the use and accuracy of RFIDs employed across the IJOA.

5. USF-I will take the following actions, based on current USCENTCOM guidance, in order to facilitate mission requirements:

a. USF-I in coordination with the Expeditionary Sustainment Command (ESC) will establish procedures to address DoD activities that are authorized/unauthorized to ship directly to the Theater Redistribution Center (TRC) at Camp Arifjan, Kuwait. The ESC will coordinate the procedures with subordinate units.

b. Reemphasize Headquarters Department of the Army (HQDA) policy provided in ALARACT MESSAGE 006/2010 and subsequent USF-I FRAGOs 0852 and 1823.

c. USF-I will ensure, to the maximum extent, that all shipments destined for Kuwait will be in compliance with proper packaging and documentation procedures.

6. The point of contact is USF-I Deputy J4, COL Duane Gamble, DSN [REDACTED] and SVOIP: [REDACTED].



DUANE A. GAMBLE
COL, GS
USF-I Deputy J4

U.S. Army Central Comments



REPLY TO
ATTENTION OF:

ACEN-RMZ

DEPARTMENT OF THE ARMY
THIRD ARMY
UNITED STATES ARMY CENTRAL
1881 HARDEE AVE SW
FORT MCPHERSON, GA 30330-1064

MEMORANDUM FOR Department of Defense, Office of the Inspector General, 400 Army Navy Drive, Arlington, VA 22202-4704

SUBJECT: DODIG Draft Audit Report - Consistent Use of Supply Support Activities Could Increase Efficiency of Equipment Drawdown from Iraq

1. Reference Project No. D2010-D000JB-0219.000.
2. Commander, USARCENT concurs with recommendation number 2 contained in the DODIG Draft Audit report.
3. Enclosed are our comments to Recommendation number 2 for inclusion in your audit report.
3. We sincerely appreciate the work done by your agency. For further information please contact Mr. Marion Lemon, [REDACTED].

for Holly Anthony, CO2, GS
DAVID J. BISHOP
Brigadier General, USA
Chief of Staff

DODIG Draft Report
"Consistent Use of Supply Support Activities Could Increase Efficiency of
Equipment Drawdown from Iraq"
(DODIG Project No. D2010-D000JB-0219.000)

ARCENT RESPONSE TO THE RECOMMENDATIONS AND GENERAL COMMENTS TO
THE DRAFT REPORT

RECOMMENDATION (Page 10 of Draft):

DODIG recommends that the Commander, U.S. Army Central, develop implementing procedures for the U.S. Central Command "Radio Frequency Identification Letter of Instruction," June 19, 2007, requiring that all Radio Frequency Identification tags contain the appropriate content-level data and develop metrics to track compliance.

ARCENT Response: ARCENT concurs with the recommendations in the report.

GENERAL COMMENTS ON THE REPORT

111115Z Jun 08 Reference USARCENT Policy Subject: Radio Frequency Identification (RFID) In-Transit Visibility (ITV) requirements for the CFLCC Area of Responsibility that reference the following;


REF A/MEMO/USD ACQUISITION TECHNOLOGY AND LOGISTICS (AT&L)/30 JUL 04;
REF B/OPLAN/CENTCOM/30OCT02; REF C/MSG/USCENTCOM MSG/311732ZDEC03;
REF D/MSG/JDTAV/RF-TAG FORMAT SPECIFICATION VERSION 2.0/10 MAY 02;
REF E/DODI/DOD/O6NOV90; REF F/MSG/HQDA/DTG 801319ZNOV07;
REF G/MSG/USCENTCOM/041835Z OCT07;
REF H/USCENTCOM REG 700-4/23JAN06;
REF I/USCENTCOM RFID LOI/19JUN07;
REF J/USCENTCOM MSG/081637ZFEB03.

Para 4 A. states "To the maximum extent possible, all military cargo will be supplied with properly written or "burned" RF Tags to accompany the cargo from origin to destination regardless of transportation or whether civilian or government owned or operated. Furthermore USARCENT is in the process to update USARCENT Policy Subject: Radio Frequency Identification (RFID) In-Transit Visibility (ITV) requirements for the CFLCC Area of Responsibility to require level 6 data content on all RFID Tags.

Recommended actions:

1. Address RFID Tags requirements for shipments throughout Theater.
2. Establish a metric to track compliance accordance to USCENTCOM LOI.

Estimated completion date for the above actions will be 01 April 2011.


PREPARED BY:
JOHNNY I. CARRION
CW4, ARMY
USARCENT G4 S&S, [REDACTED]



Inspector General Department of Defense